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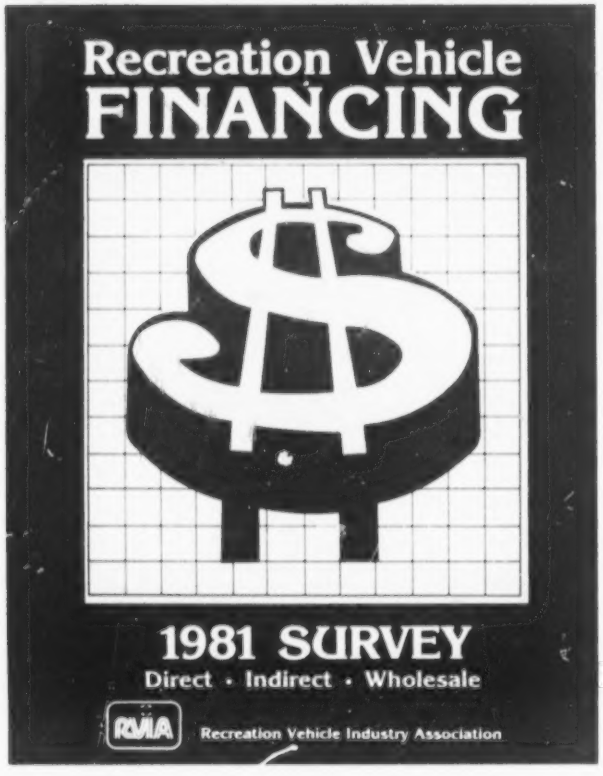
RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry . . .

Vol. 7, No. 4 Winter 1981-82



RV Economy Looks Bright; Optimism Reigns at Dealer Shows

The recreation vehicle industry continues to be one of the few bright spots on the American economic scene.

The combination of a 35% jump in wholesale RV shipments through the first 10 months of 1981 and large, enthusiastic crowds at RVIA's two major fall shows are bellwethers of better times ahead for the industry, according to David J. Humphreys, president and general counsel of RVIA.

The 29th Annual Manufactured Housing and Recreation Vehicle Show at Dodger Stadium in Los Angeles in

(more on page 2)

LENDER SURVEY REVEALS RV PORTFOLIO PROFITABILITY

Lenders who finance recreation vehicles find those RV portfolios are profitable, and they intend to maintain or increase their size in the future. Those facts plus a score of others are contained in the findings of RVIA's 1981 survey covering the 1980 experiences of lenders in RV financing.

Survey findings were announced at lender seminars held in conjunction with RVIA's two major fall shows, the Manufactured Housing and Recreation Vehicle Show at Dodger Stadium in Los Angeles, and the National RV Show in Louisville. The RVIA Finance Committee sponsored both the survey and the seminars. Robert L. Berner, vice president of Citicorp, New York City, and chairman of the RVIA Finance Committee, made the survey presentation at the seminars.

Some 3,200 banks, sales instalment finance firms, and credit unions were asked to provide data about their experience as lenders to RV manufacturers, dealers and RV owners. Information was requested on the retail direct, retail indirect, and floor planning finance methods on both new and used RVs.

Replies were received from 171 institutions, comprised of 142 banks operating from 4,041 locations, 14 finance companies with 151 locations, and 15 credit unions with 33 operating locations - representing a total 4,125 doors that were open to RV financing during 1980.

"The two most gratifying findings of the survey were that 90% of the respondents said that RV loans were as profitable - or more profitable - than auto loans and that they intend to maintain or increase the size of future RV portfolios," reported Berner. "Since more than 75% of the respondents had been making RV loans for more than 6 years, we feel those statistics speak well for the reliability of both the RV industry and the consumer who buys its products."

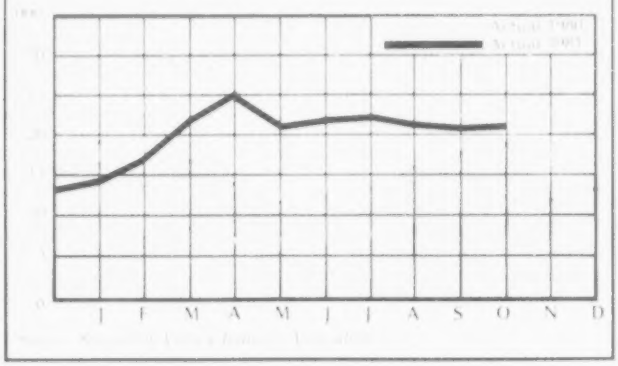
The combined value of the loan portfolios of the 171 lenders was $25.1 billion of which 5.4% or $1.3 billion was in RV financing.

Of the RV paper, $399 million was in retail direct loans, representing 2.7% of total loans held in that category, while

(more on page 8)

RECREATION VEHICLE INDUSTRY ASSOCIATION

Total RV Shipments by Months, 1980-1981
(in thousands of vehicles)



RV Monthly Shipments Continue to Move Ahead

RV shipments through the first ten months of 1981 totalled 207,400 units, for a healthy 35% gain over 1980. October shipments were 20,700 units, up 13.7% from October 1980.

Towable RVs (travel trailers, folding camping trailers, and truck campers) with 92,100 units have the largest percentage increase to date (31.2%), paced by folding camping trailers with a 46.4% increase over 1980. However, motor homes were close on their taillights with 80,800 units to date, an increase of 30%. They were led by conventional Type A units that have enjoyed a 54.4% comeback from 1980, and were a bumper ahead of van campers with a 52.4% increase for the same period. Shipments of multi-use vehicles have increased 41.6% through October.

The consumer intent to rent or purchase an RV, regularly charted by the Survey Research Center of the University of Michigan, also reflected a positive note in October. Buying intentions rose this month to the 4% level where they had been much of the past summer, while rental intentions remained at the 1.3+% mark. Both indicate a strong underlying consumer demand for recreation vehicle products.

RV Optimism Bright *(from page 1)*

November broke its own record for public attendance, as some 115,000 potential buyers surveyed more than 600 1982-model vehicles displayed during the show's 9-day public run. A record single-day crowd of 30,000 attended the show on Sunday, November 15, according to Show chairman Sid McClellan of Overland Industries. The show was open exclusively for dealers on November 11-13 and the public November 14-22.

RVIA's 19th Annual National RV Show in Louisville, open only to industry representatives, and held December 1-4, had a total dealer attendance of 7,200, up 40% over the 1980 show. Jim Boyts of Skyline Corporation, National Show chairman, reports that total attendance was up 26% over a year ago.

"Dealers arrived in Louisville with a lot of enthusiasm for 1982," Boyts stated. "It didn't take long for the enthusiasm to translate into orders for manufacturers. Dealers were buying."

McClellan said that Western manufacturers expect the

(more on page 8)

Park, Recreation Executives Hear ARC Officials

Two officials of the American Recreation Coalition (ARC) addressed attendees at the National Recreation and Parks Association's 1981 Congress for Recreation and Parks held October 25-29, 1981, in Minneapolis.

ARC Chairman David J. Humphreys, president and general counsel of RVIA, addressed an audience of public recreation program managers, telling them about the recreation community's involvement in various user fee and charges studies. "This is clearly a time of change in these areas. Staying with the status quo is simply not one of our options." Humphreys also discussed the linkage between recreation and tourism. "It is important that we all realize the mutual interdependence between tourism and recreation. Together, both industries can guarantee an exciting future. Separately, the outlook is frightening."

Derrick A. Crandall, ARC President and vice president of the International Snowmobile Industry Association, also spoke on the federal role in recreation planning and assistance. He noted that while demand for recreation continued to expand, there have been "revolutionary pressures on public recreation program budgets." He cited federal and state cutbacks in recreation programs which now play a key role in providing sites for recreation – parks, tennis courts, trails and more.

According to Crandall, "Public recreation programs are not valued as highly in government budgetmaking and policymaking as recreational products are valued by Americans in the marketplace. Overcoming this imbalance is a challenge which all recreational interests – public and private sector alike – must meet." The collective power of a $244 billion per year industry and the united power of tens of millions of recreational enthusiasts have been wielded only infrequently, and then only defensively. This must change.

The American Recreation Coalition represents more than eighty associations and corporations active in the recreation industry. "Through a series of Roundtables featuring top federal officials and task forces on key recreation issues, ARC seeks appropriate recognition of, and equitable treatment for, recreation opportunities of all types."

RV Financial Facts

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.

RVIA Finance Committee:
Chairman, **Robert L. Berner,** Citicorp, New York City; **Joseph J. Bradley,** Bank of America, San Francisco; **Joseph Gessiness,** Bangor Punta Acceptance Corp., Goshen, IN; **Ron Hanna,** Winnebago Acceptance Corp., Forest City, IA; **Joseph L. Lombardo,** American Acceptance Corp., Philadelphia, PA; **Robert R. Rawlings,** CIT Financial Services, New York City; **Gordon Gilbert,** Coachmen Industries, Inc., Middlebury, IN; **Gary M. LaBella,** Public Relations Administrator, RVIA Staff, Chantilly, VA.
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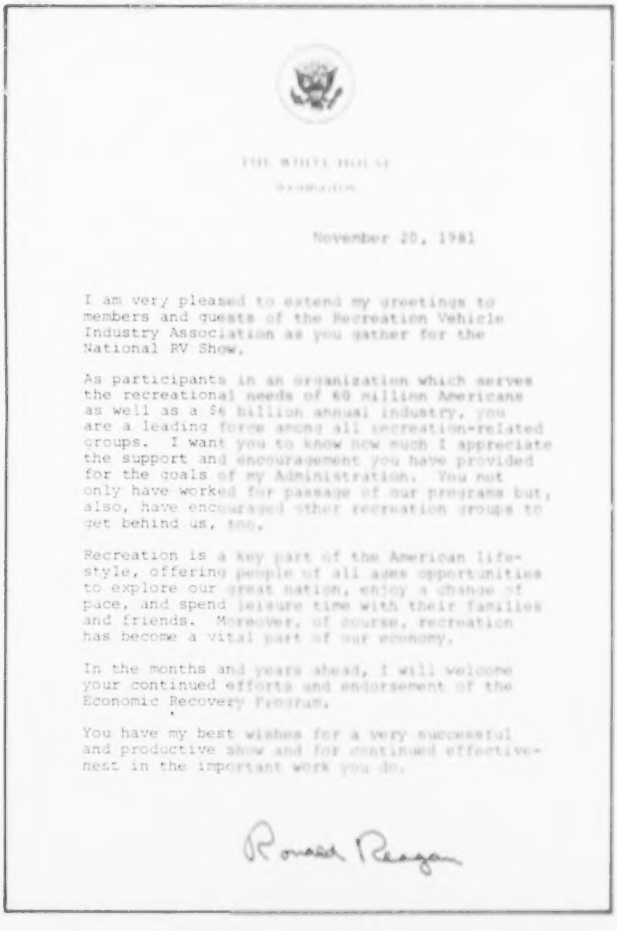
REAGAN, FORD GIVE CONFIDENCE VOTE TO RV INDUSTRY

MORE THAN 600 RV INDUSTRY OFFICIALS heard Gerald R. Ford give keynote address at All Industry Forum held during National Show in Louisville. "You have a big stake in our economic future . . . and will continue to prosper," he told the group.



THE WHITE HOUSE

WASHINGTON

November 20, 1981

I am very pleased to extend my greetings to members and guests of the Recreation Vehicle Industry Association as you gather for the National RV Show.

As participants in an organization which serves the recreational needs of 60 million Americans as well as a $6 billion annual industry, you are a leading force among all recreation-related groups. I want you to know how much I appreciate the support and encouragement you have provided for the goals of my Administration. You not only have worked for passage of our programs but, also, have encouraged other recreation groups to get behind us, too.

Recreation is a key part of the American lifestyle, offering people of all ages opportunities to explore our great nation, enjoy a change of pace, and spend leisure time with their families and friends. Moreover, of course, recreation has become a vital part of our economy.

In the months and years ahead, I will welcome your continued efforts and endorsement of the Economic Recovery Program.

You have my best wishes for a very successful and productive show and for continued effectiveness in the important work you do.

Ronald Reagan

Attendees at RVIA's 19th Annual National RV Show in Louisville were bouyant over votes of confidence the industry received from President Ronald Reagan and former President Gerald Ford.

Ford was the keynote speaker before some 600 industry officials at the Industry Forum held the day prior to the show on November 30. Noting the more than 6 million RVs on the road and the multi-billion dollar annual volume of the industry, Ford told the forum audience that "The RV industry has a very big stake in our economic future" and that "you can and will continue to prosper . . ."

He made those statements following a prediction that President Reagan's economic recovery program will succeed.

"If the President stands firm on his program, come the spring of 1982, those dark, overcast clouds that have hung over us in 1981 will begin to break up and the sun will begin to shine," Ford said. "We will have turned the corner of adversity and will be on the path again to a healthy and stable and prosperous economy."

Reagan sent a letter to the industry, which was read at the forum by RVIA Chairman Elden Smith, thanking all for "the support and encouragement you have provided for the goals of my Administration."

"Recreation is a key part of the American lifestyle, offering people of all ages opportunities to explore our great nation, enjoy a change of pace, and spend leisure time with their families and friends," Reagan said. "Moreover, of course, recreation has become a vital part of our economy."

The President called the RV industry "a leading force among all recreation-related groups."

"You not only have worked for passage of our programs but, also, have encouraged other recreation groups to get

(more on page 7)

LONDON AIRE

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1982 MODELS PREVIEWED AT RVIA'S DODGER & NATIONAL SHOWS

Increase in Exhibits, Attendance, Optimism Foretell Good Year Ahead

Recreation Roundtable Hears National Park System Plans

Top officials of the National Park Service and national recreation organizations discussed the future of the U.S. national park system and increased public private sector cooperation in providing recreation opportunities at the November Recreation Roundtable held in Washington, D.C., and sponsored by the American Recreation Coalition.

"Americans are more and more aware of the special legacy of our national parks," said Russell Dickenson, Director of the National Park Service (NPS) in his opening remarks before the group. "This awareness is timely because the system faces dramatic challenges today. Overcrowding, the consequences of resource development and reductions in management manpower pose threats in many NPS sites. Health and safety code deficiencies in the parks will require hundreds of millions of dollars in capital improvements over the next decade."

Dickenson stated that along with health and safety improvements, the Administration would place a priority upon "re-establishing reasonable standards of service in the parks."

Interpretive services will continue to be emphasized, according to Dickenson, because they help assure quality visitor experiences.

Dickenson also told the group of the newly broadened mandate to NPS. Recreation technical assistance and recreation grants to states were transferred to the agency on June 1, 1981. The activity was formerly performed by the Heritage Conservation and Recreation Service.

"Americans are more and more aware of the special legacy of our national parks."

Revised roles for public and private sector interests in providing recreation for Americans and the future of the Land and Water Conservation Fund were also discussed at the Roundtable. Noting that "our national parks cannot be all things to all people, but they can provide a broad spectrum of opportunities for recreation," Dickenson predicted that visitor limitations will become more common within ten years in park Wilderness and back country areas and that park managers would need to adopt creative strategies to disperse visitors both physically and around the calendar.

Concluding the session, ARC President Derrick Crandall lauded the commitment of NPS officials to improving the quality of life in America. "Director Dickenson deserves special recognition for his efforts to build useful ties with the membership of the American Recreation Coalition and our nation's tourism industry," he noted. "A strong and innovative partnership among government officials, organized recreationists and the recreation industry is the key to success," Crandall concluded.

The series of 1981 ARC Recreation Roundtables was made possible by financial assistance provided by fifteen leading recreation organizations. In addition to the Recreation Vehicle Industry Association, these include: American Horse Council; American Motorcyclist Association; American Ski Federation; American Youth Hostels; Foremost Insurance Company; International Snowmobile Association; Motorcycle Industry Council; National Campground Owners Association; National Marine Manufacturers Association; National Motorsport Committee; National Rifle Association; National Spa and Pool Institute; Recreation Vehicle Dealers Association; and the United States Ski Association.

Guests at the series of Roundtables included Senators Ted Stevens, James McClure and Larry Pressler; Interior Secretary James Watt; and Representatives Mo Udall, James Santini, and Leon Panetta.

RVIA President and General Counsel David J. Humphreys is Chairman of the Board of the American Recreation Coalition which was established in February, 1979.

John Agno

Richard Curtin

Interior Dep't, ARC to Survey Consumer Recreation Likes

A nationwide survey of consumer recreational preferences will be made in 1982 by the U.S. Department of Interior (DOI) in conjunction with the American Recreation Coalition. The aid of industry market experts has been enlisted for the survey to provide input into designing the survey questionnaire and the mechanisms by which the data will be released.

John Agno, chairman of RVIA's Marketing Committee and marketing manager of Stirling Power Systems Corp., Ann Arbor, has been named to the committee. Others include Dr. Richard Curtin, University of Michigan Survey Research Center, author of an RVIA-sponsored continuing study of the RV consumer; James Burke, research director of *U.S. News & World Report* and Sid Shaer of Olin Corporation, a member of the National Spa and Pool Institute.

Although similar surveys have been conducted every four or five years since 1960, this marks the first time that Interior has approached recreation industry experts for input into its on-going program to study recreational preferences.

Because of this industry advisory panel, the results are expected to be more beneficial to everyone and more timely for use in private industry.

The survey will be taken during three consecutive quarters beginning in September 1982. Approximately 2,000 persons will be interviewed. Results are expected to render extensive demographic information on recreation industry consumers.

Vote of Confidence

(from page 1)

behind us, too," he said, in reference to RVIA's active role in the creation of the American Recreation Coalition.

Ford was an immediate hit with the industry when he began his speech by saying he was indebted to the RV industry.

"I have a very great affection and a very deep sense of gratitude to the products of your industry," he said.

"In the mid 1960s, after I had been in Congress for 6 to 8 years, I found it was absolutely essential that I have a new tool to serve properly my Congressional district. Quite frankly, I wasn't getting around my district adequately. So for the next 10 years, I used an RV and called it Jerry Ford's Main St. Office."

The net result was that thereafter I had relatively little political opposition and no political problems," the former president said. "So I express to all of you in this industry my

FORD THEDS A QUOTATION at press conference following his appearance at RVIA's All-Industry Forum.

gratitude and appreciation. If we hadn't had that tool, perhaps I would be back in Grand Rapids, Michigan practicing law."

Most of Ford's speech focused on his opinion of the Reagan economic program, which he called "the right medicine for a serious economic illness."

"Federal spending had been literally hemorrhaging," Ford said. "Cutting government spending is the only responsible way that a president can get the federal budget under control and I fully applaud and approve the actions taken by President Reagan."

"The cuts will make a healthier economy and give us a better government," he said.

Ford received a big applause when he endorsed Reagan's desire to remove "the onerous burden of over-federal regulation" from the shoulders of business.

"Regulations that cannot be justified on a cost-to-benefit ratio should not be imposed in the first place and ought to be removed as the second," he stated.

This marked the first time that the former president, who served in the White House from 1974 to 1977, had spoken before an RVIA audience. His speech was made on the day before the official opening of the National RV Show, which was held December 1-4 at the Kentucky Exposition Center.

White House Presentation

ELIZABETH DOLE, ASSISTANT TO THE PRESIDENT FOR PUBLIC LIAISON, accepts on behalf of President Reagan a framed calligraphic rendering of a resolution passed by RVIA's Board of Directors, which endorses the President's economic recovery program. The presentation was made by RVIA's Chairman of the Board Elden Smith (L), vice president RV Group, Fleetwood Enterprises, Riverside, CA; and David J. Humphreys, RVIA's President and General Counsel.

The resolution states, in part, that RVIA "endorses President Reagan's economic program calling for substantial cuts in federal spending and tax cuts for business and individuals."

RVIA Executive Committee Elected

RVIA's EXECUTIVE COMMITTEE after their November 30 election (l to r, standing): David J. Humphreys, Charles Willibrand, Norman Jacobson, Richard Kingler, Warren Jones. Seated: David R. Miller and Elden Smith.

Elden Smith, vice president-RV Group, Fleetwood Enterprises, Riverside, CA, was reelected chairman of RVIA's Board of Directors at its November 30 meeting. Other members of the executive committee reelected were: Norman Jacobson, vice president of Contempo Enterprises, N. Hollywood, CA, first vice chairman; Richard Klingler, president, Holiday Rambler Corporation, Wakarusa, IN, second vice chairman.

Charles Willibrand, president, Play-Mor Trailers, Inc., Westphalia, MO was elected secretary, and Warren Jones, president, Hehr International, Inc., Los Angeles, was elected treasurer.

Other members of the executive committee include RVIA President and General Counsel David J. Humphreys and David R. Miller, chairman, Travel Equipment Corporation, Goshen IN., who as immediate past chairman, is an ex officio member.

Lender Profits (from page 1)

indirect loans totalled nearly twice that with $799 million, representing 11% of the portfolios in that category. Floor planning totaled $159 million and comprised 4.3% of all floor planning written by the respondents.

Banks with $837 million had the largest dollar volume but RV loans represented the smallest percentage of their total portfolios - only 4%. The 14 sales instalment finance firms reported $516 million in RV outstandings which represented 12.6% of their total portfolios. Credit unions with $4.9 million held 5.2% of their outstandings in RV paper.

The largest category of RV holdings was in retail indirect loans, which totaled nearly $800 million. Banks with $401 million held a slight edge over sales instalment firms that held $398 million in their portfolios. Banks also held the largest share of two-party direct loans with $371 million. Sales instalment finance firms and credit unions accounted for only $23 million and $4.9 million respectively in that category.

Floor planning was a different story with the sales finance firms holding $95 million, nearly a third more than

9 out of 10 lenders agree RV loans are as profitable - or MORE profitable - than auto loans

banks who hold only $64 million in RV wholesale paper.

Most lenders required down payments in 1980 on both new and used RVs of 20% to 25%.

Credit life and disability insurance are financed by 90% of the lenders, with 55% financing dealer added accessories, and only 40% including tax and license in their financing offers.

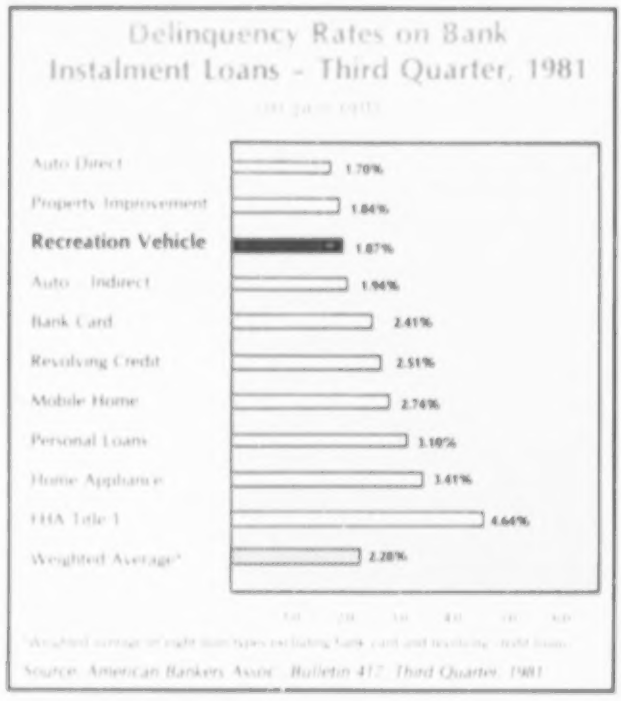
Typically, the survey revealed that direct loans for new RVs carry a 84-month maximum maturity, while used RVs have a 60-month maturity date. Most firms that engage in indirect financing permit 84 months repayment for new RVs and 60 months for used units.

The repossession rate was less tha 1.49% by 65% of those reporting, with 80% of those loans being recovered.

RVs were not the only kind of recreational equipment financed. Most lenders indicated they also finance airplanes, boats, motorcycles, and, where used, snowmobiles.

The survey was conducted by Jon Whitney & Associates of Whiting, Indiana, and the findings are reported in a 24-page book being distributed to the financial community. Lenders can obtain copies by writing to the RVIA Finance Committee, Box 204, Chantilly, VA 22021. Others may receive a copy by sending $5.75 to the above address.

In addition to Berner, current members of the RVIA Finance Committee are: Joseph Bradley, Bank of America, San Francisco; Joseph Gessiness, Bangor Punta Acceptance Corp., Goshen, IN; Ron Hanna, Winnebago Acceptance Corp., Forest City, IA; Joseph L. Lombardo, American Acceptance Corp., Philadelphia; Robert R. Rawlings, CIT Financial Services, New York City, and Gordon E. Gilbert, Coachmen Industries, Middlebury, IN.



RV Owners Continue to Improve Loan Repayment Ratings as Delinquencies Drop to 1.87%

RV owners are serious about having fun - if the improvement of their delinquency rate of loan repayments can be taken as a yardstick. They get their loan instalment payment in to the bank on time!

According to the Americans Bankers Association, RV loans, with a third quarter rating of 1.87%, stood third highest in the repayment rating of the ten types of loans regularly charted by the ABA.

This marks an improvement over the first and second quarters when the rate was 2.05% and 2.02% respectively.

RV loans were topped only by direct auto loans, which ranked first with 1.70% rating, and property improvement loans with 1.84%.

All but one of the ten types of loans showed an improvement over the second quarter, as did the weighted average which was down to 2.28% from 2.37% in the second quarter.

Only revolving credit ratings at 2.51% were up from the second quarter when they carried a 2.37% rating.

The ABA defines a delinquent loan as one that is 30 days past due.

RV Optimism (from page 2)

consumer interest evidenced at the Dodger Stadium Show to carry over onto the dealer sales centers next spring.

"We've definitely witnessed a resurgence in our industry in the past year," said Humphreys. "While pent-up demand is the primary reason, I think in a strange way we've also been helped by inflation. While it hurts every business and individual, inflation has helped increase RV sales because it has forced people to seek out less expensive ways to take a vacation and enjoy recreation."

A8790-1 4/29/82

RV FINANCIAL FACTS

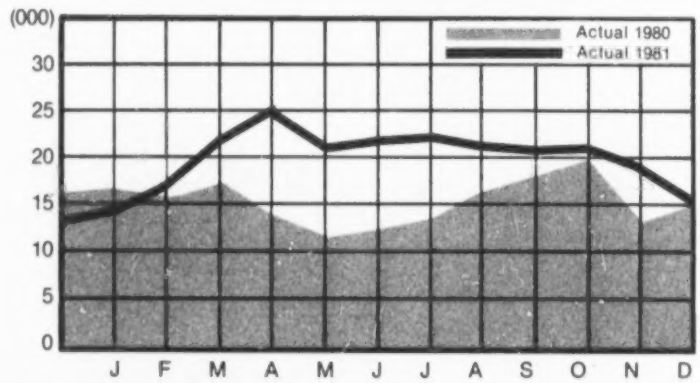
A quarterly newsletter for the financial community about RV's and the family camping industry...

Vol. 8, No. 1 Spring 1982

RUSH TO: FILE

RV PRODUCTION RIDING COMEBACK TRAIL

Total RV Shipments by Months, 1980-81
(in thousands of vehicles)



Source: Recreation Vehicle Industry Association

'81 Shipments Up 31.8%

The family camping industry is on the comeback trail.

RV production in 1981 was a great improvement over 1980 as 1981 manufacturer shipments to retailers nationwide totaled 239,100 units for a healthy 31.8% increase. The year closed with December shipments of 14,800 units, up 5.7% from December 1980, marking the eleventh consecutive monthly increase.

Of the three basic types of recreation vehicles — motor homes, multi-use, and towables — multi-use vehicles, with 99,800 units delivered in 1981, had the largest percentage gain in shipments (39.8%). In December, 6,800 multi-use units were delivered, up 11.5% from December 1980.

Towable RVs — travel trailers, folding camping trailers, and truck campers — with 103,900 units delivered, were second highest in yearly deliveries with a favorable 27.6% gain. In this group, folding camping trailers had the largest yearly increase with a whopping 42.9% gain and they continued to climb in 1982 as January deliveries showed 11.1% more improvement.

Shipments of motor homes, which include the conventional Type A, van campers, and chopped vans, were 23.8% higher than in 1980 as a total of 35,400 units were shipped in 1981. The upward trend continued as motor homes deliveries increased 4.3% in January 1982 over January 1981. January's shipments of conventional Type A motor homes were 33.3% greater than in January 1981.

The consumer intent to rent or purchase an RV, regularly charted by the

(more on page 6)

RVIA Exhibits at Two Financial Meets

As part of their continuing search for new sources of financing and their "reach-out" program to the financial community, the RVIA Finance Committee is participating as an exhibitor in the national expositions of two lending groups this spring.

In March, RVIA Finance Committee Chairman Robert L. Berner, vice president of financial services for product development, Citicorp, New York City, and RVIA Vice President of Public Affairs William R. Garpow attended the National Instalment Credit Conference of the American Bankers Association in Dallas, where more than 1,000 delegates visited the RVIA booth. The booth features a colorful, lighted display of various types of RVs in use as well as an array of the RV publications available from the association.

In June, Berner and Julia Herron, editor of RVIA's quarterly "Financial Facts," are scheduled to be at the convention exposition of the National Consumer Finance Association in Chicago, where the same exhibit will be used.

The exhibit focuses on the profitability of RV financing. Delegates receive resource material highlighting the RV industry as well as the credit worthiness of RV owners.

RV RENTAL MARKET
(see pages 3 - 4)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA

American Recreation Coalition Goes Full-Time

Concept Proves Workable; Crandall Opens DC Office

Buoyed by an impressive string of successes during 1981 and still greater prospects for 1982 and beyond, officials of leading national recreation associations have given final approval to the start up of a full-time American Recreation Coalition (ARC) office in Washington, D.C.

"Over the past year, the concept of improved unity among recreational interests has been validated. Working together, we have achieved successes for recreation in general and for our respective organizations," according to ARC Chairman David J. Humphreys, president and general counsel of RVIA. "Cooperation among recreation-related groups has improved greatly, bringing increased effectiveness," he added.

Among the successful ARC activities during 1981 were eleven Recreation Roundtables, featuring such distinguished guests as Senate Majority Whip Ted Stevens; U.S. Secretary of the Interior James Watt; Senate Energy and Natural Resources Committee Chairman James McClure and House Interior and Insular Affairs Committee Chairman Morris Udall. In addition, ARC hosted receptions for newly elected Senators and Representatives; organized testimony by recreation interests on such key issues as the National Energy Plan, Wilderness legislation and federal recreation program budgets; and worked closely with various federal entities on such projects as the 1982 Nationwide Outdoor Recreation Survey.

Derrick Crandall

Derrick A. Crandall, elected President of ARC in July 1981, has agreed to serve the group full-time beginning March 1, 1982. A ten-year veteran of recreation policy discussions at the federal level, Crandall has previously served as an official of the International Snowmobile Industry Association.

In accepting the full-time presidency, Crandall stated, "We will build on our strength – the expertise and memberships of ARC's 80-plus member organizations. Our staff efforts will be aimed at facilitating the work of ARC members by improving the sharing of ideas and increasing cooperative activities."

Reaction by top government officials to the emergence of a more unified recreation community has been very positive. In a recent letter to ARC, U.S. Senator James McClure, Chairman of the powerful Senate Committee on Energy and Natural Resources, stated: "I am glad that everyone interested in recreation is getting together to work toward common goals. It should give recreationists the influence and representation such a large group deserves."

ARC Chairman Humphreys, who was instrumental in the creation of ARC in 1979, is enthusiastic about the future of this broad coalition of recreation-related organizations. "More than 80 groups belong to ARC today, from the American Youth Hostels to the National Campers and Hikers Association. Together we represent a 244 billion dollar per year industry. Our activites are close to the heart of virtually every American. Together we can safeguard widespread recreational opportunities and overcome a recurring bias in public policy-making that considers recreation to be a luxury," he stated.

Headquarters of the American Recreation Coalition are at 1901 L Street, N.W., Suite 700, Washington, D.C. 20036.

American Recreation Coalition

Dedicated to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities.

RV FINANCIAL FACTS

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Julia Herron, *Director of Publications*

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★★★★ Special Section ★★★★

RV Rental Market

Rental Dealers Form Association; Directory Published

Renting a RV should be easier than ever before for both the customer and the RV retailer this year.

The increased market for the rental of RVs has spawned several timely developments within the RV industry in the past six months. A directory of dealerships that provide rental units has been published, an association of RV rental dealers has been formed, and a monthly newsletter for rental retailers has been established.

The idea has been simmering for a year; action has been evident since November when the Recreation Vehicle Dealers Association published a 44-page state-by-state directory of more than 100 retailers who are in the rental business. The directory addresses itself to six major types of RVs: folding camping trailers, travel trailers, motor homes, van conversions, mini-motor homes, and truck campers.

Following this, rental dealers who were attending RVIA's national show in Louisville, KY, in December, spent a caucus session discussing the pros and cons of forming a rental association.

Subsequently, the group met on March 10 in Washington, D.C., and the 25 rental dealers present voted unanimously to create the Recreation Vehicle Rental Association. The group is to be a self-governing body within RVDA, with a separate dues structure and its own treasury, but sharing RVDA's facilities at its Fairfax, VA headquarters.

Included in its services will be the May publication of a second and enlarged edition of the RV Rental Directory.

Interim officers named until the first election is held next November are: Chairman, Dave Altman, Dave Altman's RV Center, Van Nuys, CA; Vice Chairman, Newt Kindlund, Holiday Rental/Leasing Inc., Orlando, FL; and Lee Muano, L/J Camping Center, Chantilly, VA, secretary-treasurer.

(more on page 4)

Motor homes, in both the Conventional Class A and mini styles, are the most popular rental models, but dealers also offer travel trailers, folding camping trailers, and truck campers. Greater fuel efficiency in styling, lower gas costs foretell busy year for retailers, happy times for RV enthusiasts.

Rentals "Sleeping Giant" Expected to Waken in '82

The RV rental business appears to be a sleeping giant that not every dealer or lender has tried to waken.

RV rentals can mean more business all along the line — for manufacturer, retailer, campground operator, lender — even for some owners.

While there are retailers who have developed rental programs as an adjunct to their sales operations, others prefer to concentrate on one or the other. Some retailers, like Lee Muano of L/J Camping Center, Chantilly, VA, have both types of operations, but keep them separate. Muano opened his doors in 1979 as a rental only center. Despite the nationwide plunge in RV sales in 1979 and 1980 — or perhaps because of it — rentals went well. He has only started his sales division, so it is too early to determine whether one will suffer because of the attention to the other, but as for rentals, 1982 bookings are 35% ahead of 1981!

Muano operates a fleet of 55 rental units. Sixty percent of these are lease-backs from owners who do not plan to use their vehicles full time. The owners like the help that the lease gives them in defraying the cost of the unit; Muano likes the assurance of an on-time payment for the RV. He cites the case of one buyer, one can take a $5,400 tax write-off allowed by the Internal Revenue Service on the purchase of his $35,000 motor home by using it only 14 days per year and leasing it back to Muano for rental.

Muano is one of two Virginia retailers listed in a newly published directory of 100 nationwide rental operations (see col. 1). Like most other rental firms, he is equipped to rent nearly all types of RVs but finds the biggest demand is for the motor home,

(more on page 4)

Intents to Rent Zooming

Renting an RV may just well be an idea whose time has come. That opinion is being voiced by an increasing number of non-RV owners, according to monthly surveys made to a selection of vehicle owning households by the Survey Research Center, University of Michigan. In fact, the number of possible renters is growing by leaps and bounds!

When the question, "Would you consider renting an RV for a vacation in the next year or so?" was posed in January a resounding 17.4% said they might do so. To this same question in January 1981, 12% replied in the affirmative, for a healthy 45% increase in one short year.

Folding camping trailers are available that can sleep from 1 to 8 people. Most models vary from 8 to 19 feet in length. Rental charges often apply toward the purchase.

Sleeping Giant *(from page 3)*

both the large Class A models and the mini styles. Rentals range from $325 weekly for minis with 12 to 14 cents per mile and from $450 to $695 weekly with 14 to 17 cents per mile for Class A.

Lower fuel prices coupled with the increasingly fuel efficient vehicles that manufacturers are producing is bringing on a resurgence in the usage of RVs as *true family camping vehicles.* Trips may be longer this summer — with more cross-country treks. The weekly rental and operational costs compare favorably with the cost of motel and restaurant expenses for a vacationing family. According to Muano, his customers talk of taking a once-in-a-lifetime trip, "while they can still afford it," and his average rental is for three weeks.

Contrary to the general opinion, though, the cost of gasoline has never been a major deterrent to the use of family camping vehicles. By and large, it is the cost of financing that causes some people to rent for a year or so while they learn more about the RV lifestyle. Once they've caught RV fever, they can then apply rental costs toward the purchase.

According to RVIA's most recent survey of RV financing, few lenders have given serious consideration to backing either retailers or RV buyers who have rental programs. This may be the year to investigate the opportunities that the RV rental market offers.

New "How-to" Book for Do-It-Yourself RV Renter

While the vast majority of the RV rentals in 1982 will be handled through established RV dealers, there's even a market for the do-it-yourself RV owner-renter. He has the opportunity to use his RV when he wants to, and rent or lease it out for the balance of the season, making the unit pay for its own keep, so to speak.

A booklet that addresses the needs of the individual owner who wants to go into the rental business is now available.

The author, Sheb Abi-Nader, a Pennsylvania family camping enthusiast for the past 20 years, asserts that a present RV owner can "be in the rental business within a week."

Entitled "Dollars in Your Driveway," the book contains chapters on How to Rent a Motor Home, How to Advertise the Rental Business, and How to Set Rental Rates. The kind of insurance needed is discussed as well as where to get it.

Estimated income and expenses are noted as well as the depreciation rates and tax advantages of renting. Advice is given on how to set weekly or weekend rates, how to prepare the unit for rental, and the importance of regular maintenance. The preparation of a modest direct mail piece showing the floor plan of the RV is suggested as a follow-up to telephone inquiries generated from local advertising.

Forms to be used for the rental agreement are illustrated along with the sources of their availability and their price.

The 37-page book is available from Halo House Publishers, 617 Westland Drive, Greensburg, PA 15601, for $10.95 pre-paid.

Dealer Group *(from page 3)*

Advisory council members are Dick Lane, Great South West RV, Lemont, IL; John Ostaf, Impala Industries Ltd., Vancouver, BC; Steve Moran, Arlington Trailer Rentals, E. Greenwich, RI, and Randy Thompson, Crystal Valley RV, Crystal Lake, IL. James B. Summers, executive vice president of RVDA, will also serve the new group in the same capacity.

Headquarters of both RVRA and RVDA are at 3251 Old Lee Highway, Fairfax, VA 22030.

Finance Committee Reaches Out to S&Ls

RVIA's Finance Committee continues its search for new sources of financing for members of the family camping industry and their customers. As part of its on-going commitment to reach out to more lenders, the Committee has asked members of the Association staff to continue the program started 18 months ago of scheduling personal visits with officers of key lending institutions across the nation.

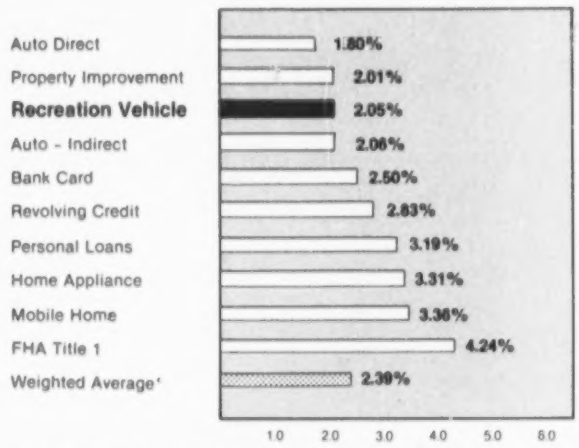
These personal one-on-one visits are designed to help the lending and RV communities maintain a continual dialogue so that they can learn more of each other's needs. A second purpose is to show the lending community that RV financing is profitable and will remain so in the years ahead, because of the enthusiasm that Americans have for the RV lifestyle.

The most recent contact was made in mid-February to executives of the United States League of Savings Association. At that meeting, RVIA Finance Committee Chairman Robert L. Berner, vice president of financial services for product development, Citicorp, New York City, and committee member Mike Gilbert, senior vice president of Coachmen Industries, Middlebury, IN., joined with RVIA Vice President of Public Affairs William R. Garpow in presenting data proving the credit worthiness and future intentions of RV buyers.

The presentation was made to Joseph L. Salm and Wayne Bentston, senior officials of the League, at their Chicago headquarters. Since then, they have informed their membership of RVIA's cooperation in making resource data on the family camping industry available to S&L groups who wish to receive it.

"We welcome the interest of the S&Ls in the RV industry," says Chairman Berner, "and hope that this initial contact will be the beginning of an on-going dialogue with them. The growth of the RV industry seems assured with the continuing interest of Americans in the RV lifestyle...As more and more loan officers learn of their reliability and intention to keep recreation as a part of their lifestyle, we believe that lenders will find that RV portfolios are among their most profitable."

Delinquency Rates; Bank Instalment Loans Fourth Quarter, 1981 (in percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans.
Source: American Bankers Assoc., Bulletin 418, Fourth Quarter, 1981.

RVers Among Top in Loan Repayments

RV owners repaid their loans on time at a rate of 97.95% in the fourth quarter of 1981. Their concern in making prompt payments reflects their dedication to the RV lifestyle and their determination to continue to enjoy it. In turn, their enthusiasm indicates profitability and low risk for the lender making the loan.

According to fourth quarter delinquency figures released by the American Bankers Association, RV loans, with a rating of 2.05%, remained third highest in the repayment rating of the ten types of loans regularly charted by the ABA. RV loans were topped only by direct auto loans, which ranked first with 1.80%, and property improvement loans with 2.01%. The rank order of the top three remains unchanged from the third quarter.

Delinquency for all types of loans, except home appliance and FHA Title I loans, was up in the fourth quarter, as was the weighted average which rose to 2.37% from 2.28%. RV loans moved up from 1.87% in the third quarter to the position they held at the end of the first quarter.

For the entire year of 1981, only 2% of RV loans were delinquent, ranking third behind direct auto loans with 1.78% and property improvement loans with 1.98%. The yearly weighted average of delinquent loans was 2.38%, one third higher than that for RV loans.

The ABA defines a delinquent loan as one that is 30 days past due.

RV Owners Are Good Credit Risks

- 6 million owner families
- 8.3% all U.S. households
- 75% age 35 and older
- 46% one or more children
- 44% income over $20,000
- 28% income over $25,000
- 54% no children at home
- 84% high school diploma or over

Source: Survey Research Center, University of Michigan, 1980

RVIA's Finance Committee heads movement to have truck campers reclassified as vehicles, rather than personal property. Change would benefit owners as well as lenders as well as local government agencies.

Seek Status Change for Truck Campers

If truck campers were financed as vehicles, rather than personal property, life would be simpler for everybody — owners, lenders, retailers, and law enforcement agencies. RVIA's Finance Committee is lending its support to a program to achieve this, but the road, while not necessarily rocky, appears to be long.

The committee is presently seeking resolutions and endorsements from organizations whose members would benefit from having states classify truck campers the same way that they classify all other types of RVs — as vehicles.

Presently, 48 states categorize truck campers as personal property. Not only does this treat them in a disimilar manner from all other recreation vehicles, but it excludes them from being titled, licensed and registered. Washington and Oregon are the only two states that already classify truck campers as vehicles.

Truck campers are portable units designed to be loaded onto, or affixed to, the bed or chassis of a truck to provide temporary living quarters for recreational, camping, or travel use. Designed to be transported on highways and sold by licensed RV dealers who sell all other types of RVs, RVIA believes truck campers should be treated in the same way.

The reclassification — and therefore titling of truck campers — would be benefical to everyone involved in their transactions. Owners would be able to find more-available, lower-cost financing and lower-cost insurance because of a reduced theft risk — a plus for insurance firms and law enforcement agencies as well.

Clear-cut titles of ownership would increase loan security for lenders. Governments would have an enhanced tax base, access for property taxes through registration lists, and additional revenues, thereby diminishing per transaction costs without increasing overhead costs.

Dealers and insurance companies could process uniform paperwork for all RVs, and both dealers and manufacturers would increase their sales because of the availability of additional financing.

RVIA's efforts in this matter have already received support from the American Bankers Association (ABA) and the National Automobile Theft Bureau (NATB). RVIA Vice President of Public Affairs William R. Garpow presented the association's cause to the Registration and Titling Committee of the American Association of Motor Vehicle Administrators (AAMVA) at a workshop in Bal Harbour, Florida in early April. Because AAMVA membership represents the directors of departments of motor vehicles of each of the 50 states, Garpow says, "their endorsement would be almost a prerequisite to approaching the individual states with this proposed change. With 48 states to go, a miracle won't happen overnight, but we believe the idea makes sense, and change will come."

New Book Highlights RV Lifestyle

"Living in Style... The RV Way," the newest publication being offered by RVIA, is a 24-page color introduction to RVs and the RV lifestyle that is now being enjoyed by 24 million people in the United States.

The booklet examines what an RV is and what mechanical and convenience features it can offer for traveling in economical comfort. The eleven categories of family camping vehicles are described and the differences and advantages of each are highlighted. The publication offers advice and tips on

choosing, buying, renting, financing, insuring, using and maintaining an RV.

Financial institutions are receiving a free copy of "Living in Style" with this issue of *Financial Facts.* Additional copies are available at a special introductory offer of $1, which includes postage and handling. Prepaid orders should be sent to P.O. Box 204, Dept LIS, Chantilly, VA 22021.

Comeback Trail *(from page 1)*

Survey Research Center of the University of Michigan, also reflected a positive note. In 1981, affirmative responses to the survey question, "Do you think you will rent or buy an RV in the next year or so?" continued to climb. January 1982 started off at a healthy pace with rental intentions indicated at 17.4%, compared with 12.0% in January, a year ago.

These favorable figures for buying and renting indicate a continuing interest by the consumer in family camping. Dealers who have rental or lease-back programs, in addition to their regular sales operations, should find a ready market during 1982.

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RV FINANCIAL FACTS

A quarterly newsletter for the financial community about RVs and the family camping industry...

Vol. 8, No. 2 Summer 1982

RUSH TO FILE

MAY 6 1982

Bay City, MI., TIMES May 6, 1982

Recreational vehicle market holding steady

By STEVE CALLANDER

Recreational vehicle dealers, battling high interest rates and cautious consumer attitudes, say their market is holding its own and may actually improve

"The last couple of years market died down, but nc increasing. If gas prices down, the market will lo better."

market will look even better," James said.

would rise a lot," Korpke said. "Some people come in here with the money and are ready to buy, and see the interest they would have to pay and say, 'No

Motor homes stage a comeback, become more fuel efficient

By John Handley

On the road again

Despite high unemploymet and other disturbing economic news, some analysts see faint signs of recovery. One is an expected increase in summer vacation travel — especially by automobile - starting last With gasoline abundant and p percent lower than last yea industry is counting on Americ the highways with something like

and availability of gasoline. Economic recovery doubtless would lead to rising demand for oil and higher retail prices for oil products. If this happens, families may

S are on the road back. The big family are staging a comeback. prices soared over $1 a gallon, it ter of time before the ga follow the

Vacation Trail

Van Conversion Business A Bright Spot In Local Economy

By STEVE BOWERS

Inc., Bristol, said, "Our business has been darned all along, but it really picked up in late February and it's been getting better every month."

Chase's major source of

Kidd said that, depending upon market conditions, his tentative plans are to move the van conversion operation to the new building on College

100 sports Chicago Sun-Times, Thursday, January 21, 1982

RV industry overcomes economy

RV sales traveling high road

Recreational vehicle sales are soaring

Times-Dispatch

Omaha World Herald June 6, 1982

Adaptable Motor Homes Are Back on the Road Again

By John Handley

The Chicago Tribune

Motor homes are on the road back. The big family camping vehicles are staging a comeback.

When gasoline prices went over $1 a gallon, it seemed only a

cent of the market and the smaller ones only 21 percent. By 1978 the emphasis had shifted dramatically — the largest motor homes had dropped to 34 percent of the market, while the mini-motor homes (van campers

Some vacationers enjoy roughing it — backpacking and tenting in the great outdoors. But for those who wants to take some of the comforts of home with them

sleeps four rents for $400 a week, plus 13 cents a mile, plus gas.

Survey Research Center showed that of motor home owners above $25,000 and have incomes be-

RV industry looking for banner year in '82

RV Shipments Stay Up (page 3)

RV Delinquencies Stay Down (page 6)

RECREATION VEHICLE INDUSTRY ASSOCIATION

RVIA

1st Industry Forum

Recreation, Government Leaders Share Concerns

An extraordinary assemblage of influential government and recreation industry leaders met in Washington June 8-9 to share ideas and concerns about the future of recreation in America.

The occasion was the American Recreation Coalition's (ARC) 1st Recreation Industry Forum, attended by a select group of 65 key recreation officials, including a score from the RV industry.

Secretary of the Interior James Watt, House Majority Whip Tom Foley (D-Wash.), U.S. Congressional Travel & Tourism Caucus Chairman James Santini (D-Nev.) and Senator James McClure (R-Idaho), chairman of the Senate Committee on Energy and Natural Resources, highlighted a list of 14 government and industry leaders who addressed the assembly on key recreation issues of the day.

Senator James McClure *(R-ID), chairman of Senate Committee on Energy and Natural Resources (left), and Derrick Crandall, president of ARC, discuss key recreation issues at Forum luncheon.*

New Partnerships Needed

Secretary Watt underscored a theme that was most popular throughout the two-day forum when he called for the building of "new partnerships and new coalitions" between government and private industry "if we're to meet America's future recreation needs."

"The quickest way to kill further recreation development in this country is to have the government do it," Watt said. "We need private development. We need the private sector involvement in all of our federal lands."

Referring specifically to the deteriorating National Park System, Watt said there must be a basic change in the way the parks are managed if they are to be available for future generations.

"If you care about the parks, you must want this change," he said.

"New partnerships and new coalitions between government and private industry are needed if we're to meet America's future recreation needs."

That change, he said, includes turning over management of some aspects of the parks, such as campgrounds and concession stands, to private companies who are more skilled at operating businesses.

"We need your involvement. We need your help," Watt told the industry leaders.

Governor William G. Milliken of Michigan, in remarks delivered by aide David Harrison, told the forum participants much the same thing earlier in the program.

"Our natural resource base and recreation delivery system is now caught in a Catch-22 situation. If we are to reverse this downward cycle, basic changes will be needed. And in my mind, those changes will only come about when those who have perhaps the most to gain—that is, your industries—become an active partner with government in providing solutions."

Team Play Urged

Guy W. Fiske, deputy secretary-designate of the U.S. Department of Commerce, said that he and Secretary of Commerce Malcolm Baldrige were dedicated to assuring that government and industry worked as a team in assuring the future of recreation.

"The Commerce Department should be the arm of business in Washington, not its enemy," Fiske said.

Congressman Foley of Washington, the 3rd ranking Democrat in the House, opened the two-day program by calling recreation "an aspect of American life that is basic and fundamental" and by recalling a snowmobile trip he took this past winter with some 400 members of the Washington State Snowmobile Association.

(more on page 7)

RV FINANCIAL FACTS

Published quarterly by the Finance Committee of the Recreation Vehicle Industry Association as a service to the financial community. Complimentary subscription available upon request.

RVIA Finance Committee:
Chairman, **Robert L. Berner**, Citicorp, New York City; **Joseph J. Bradley**, Bank of America, San Francisco; **Joseph Gessiness**, Bangor Punta Acceptance Corp., Goshen, IN; **Ron Hanna**, Winnebago Acceptance Corp., Forest City, IA; **Joseph L. Lombardo**, American Acceptance Corp., Philadelphia, PA; **Robert R. Rawlings**, CIT Financial Services, New York City; **Gordon Gilbert**, Coachmen Industries, Inc., Middlebury, IN; **William R. Garpow**, *Vice President of Public Affairs*, RVIA Staff, Chantilly, VA.

Julia Herron, *Director of Publications*

Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021 (703) 968-7722; Western Office: 1748 West Katella Avenue, Orange, CA 92667 (714) 532-1688

Users, Business Urged to Share Recreation's Future

Outdoor recreational opportunities in America may be permanently diminished because of budget cuts unless outdoor enthusiasts and businesses become partners of government and work together on solutions, according to David J. Humphreys, RVIA's president and general counsel, in remarks prepared for the annual conference of the Outdoor Writers Association of America (OWAA) held in Spokane, Washington, June 21.

Humphreys declared that outdoor recreation had reached a crossroads, and that government alone could not be expected to keep it from following the wrong course in the years ahead.

"Budgets for outdoor recreation programs on both the federal and state levels have been severely restricted. The simple truth is that tight budgets are here to stay," said Humphreys, who also serves as chairman of the American Recreation Coalition (ARC), a Washington-based organization whose membership represents more than 80 companies and associations in the recreation field.

"We must accept this fact and begin to prepare for the future knowing that the burden will be on those of us who use outdoor recreational facilities and those of us who make our living in the outdoor recreation business to keep the opportunities we have enjoyed available for future generations."

Humphreys also pointed out that the formation of the American Recreation Coalition has proved to be a major step in the right direction.

"Through ARC, we have had a forum with many of the most influential policymakers in the nation," Humphreys said, "and we have succeeded in getting user groups, business entities and government to sit down together and talk about the future of outdoor recreation."

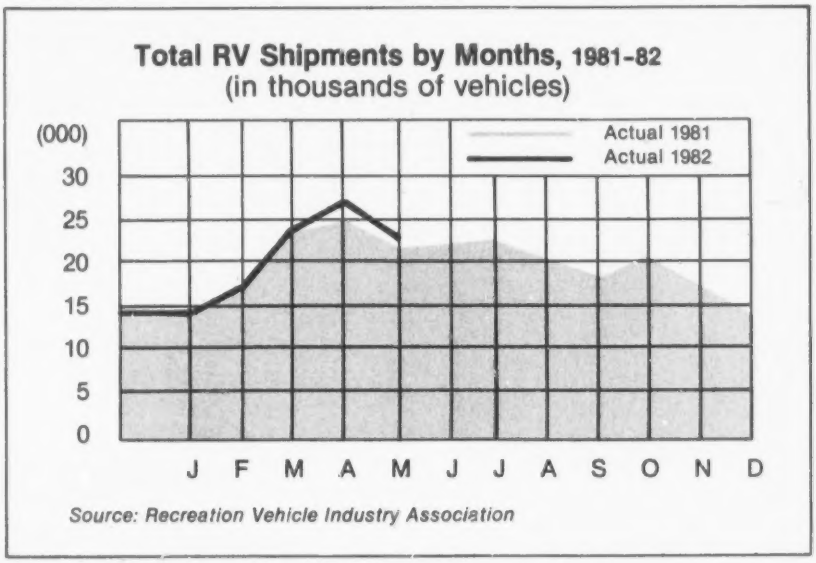
Humphreys named Secretary of the Interior James Watt, Senators Larry Pressler of South Dakota, Ted Stevens of Alaska, and James McClure of Idaho, National Park Service Director Russell Dickenson and U.S. Forest Service Chief Max Peterson as a few of the many high ranking government officials who have met with ARC leaders in recent months in an effort to chart recreation's future course.

"No one wants to see any of our parks or forests shut down or picnic areas and campgrounds closed," the RVIA president said.

"The key is that both users and business must be willing to join government in new partnerships. Outdoor enthusiasts, through user fees, must be willing to bear part of the financial burden, and business likewise must be willing to step in and share with government some of the responsibility for managing our recreational facilities.

"User fees can be a very positive factor for outdoor recreation in America," Humphreys said, "if when collected, they are placed into a 'recreation trust fund' with the revenues being used exclusively for recreation programs. Under this arrangement, recreationists would no longer be dependent on the general appropriations for monies needed to keep parks and campgrounds open, and we could eventually have the best outdoor recreational facilities in the world."

Humphreys was unable to attend the meeting because of airline scheduling, so his remarks were delivered by Gary LaBella, RVIA's director of public relations.



RV Shipments Stay Ahead of '81 Rate

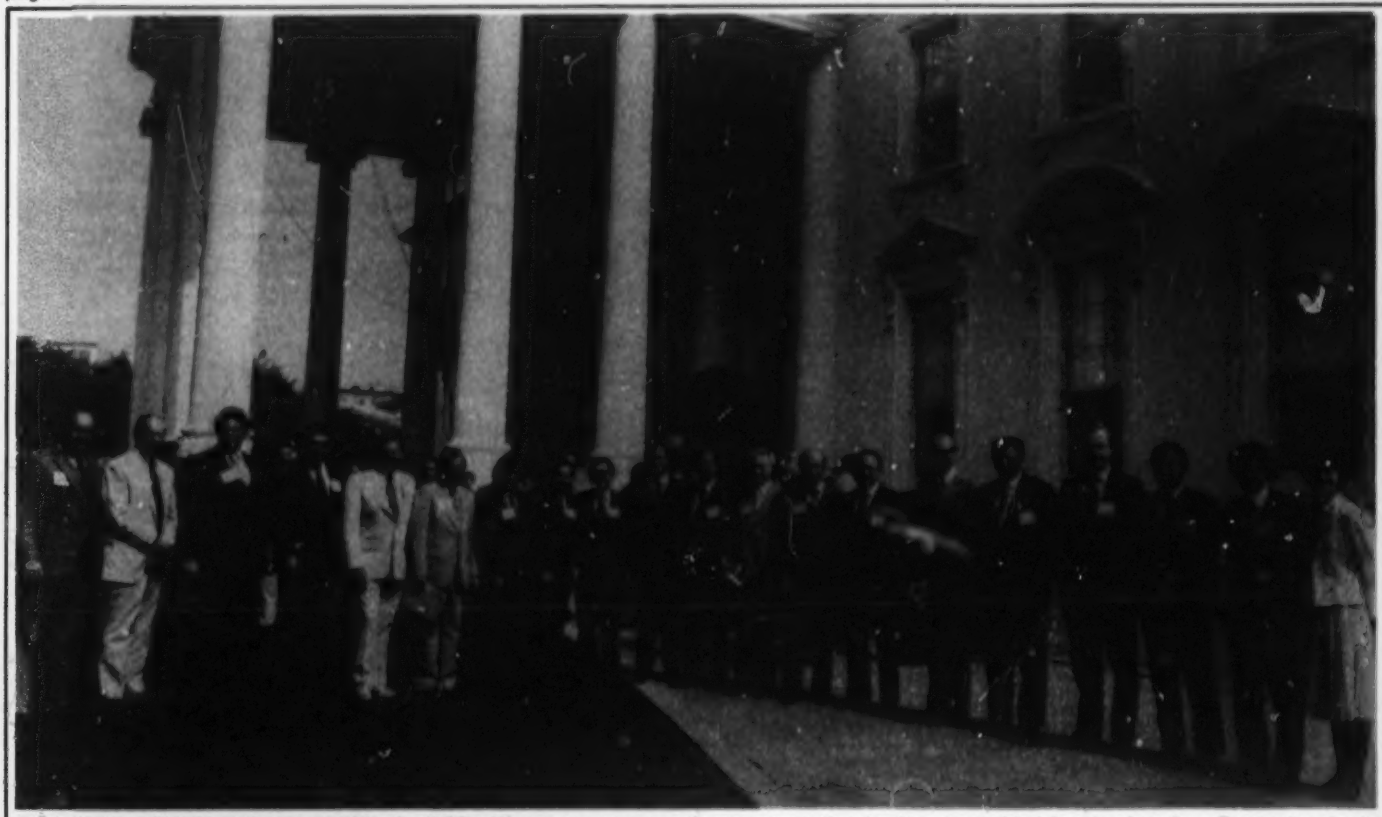
RV sales continue their remarkable climb. Monthly shipments of recreation vehicles from manufacturers to retailers, as charted regularly by RVIA's Marketing Committee, reached their highest level in three years in April, with 26,700 total units delivered. May deliveries were 23,200, marking a 1.7% increase over May 1981. Year-to-date shipments for the five-month period stand at 105,900, 4.2% ahead of last year.

April deliveries for the three basic types of recreation vehicles—motor homes, multi-use, and towables—showed motor homes with the largest improvement (29.4%) over April 1981. May deliveries for motor homes totaled 4,200, up a whopping 31.3% from last May. In this group, van campers and chopped vans both increased 33.3% while conventional Type A units rose 28.6% over May of a year ago.

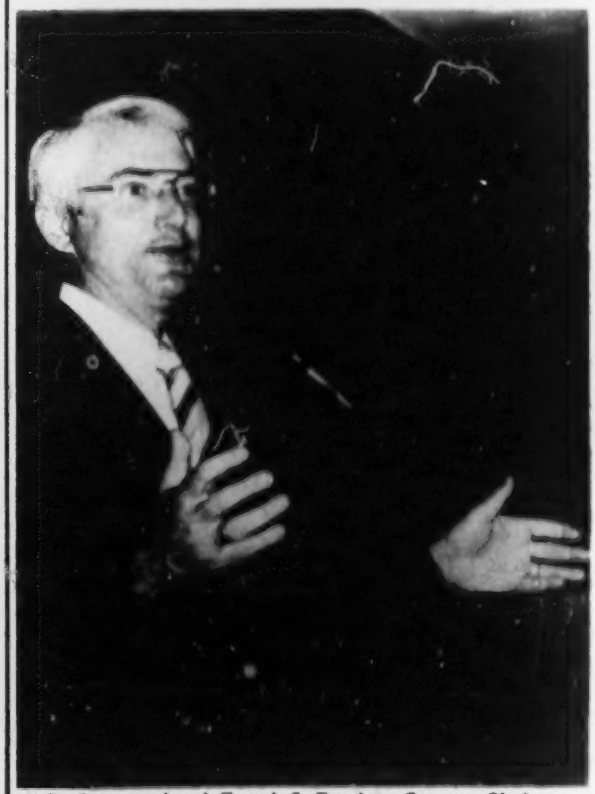
April shipments of towable RVs, comprised of travel trailers, folding camping trailers and truck campers, were up 4.1% over April 1981, lead by a tremendous 60% increase in truck camper shipments. Following industry trends, May shipments of towables lagged slightly (3.6%) from April as dealers began to sell their inventories.

May shipments of multi-use vehicles jumped 21% from May 1981, with 9,800 units delivered.

Consumer intentions to rent or purchase an RV, regularly charted by the Survey Research Center of the University of Michigan, also reflected a positive note in May. In response to the question, "Do you think you will rent or buy an RV in the next year or so?" 20.6% said they plan to rent—the highest number in the past ten months. Buying intentions zoomed to 4.8%, nearly doubling last month's figures of 2.6%.



RV industry officials gathered outside the White House *were among the top recreation leaders assembled for the American Recreation Coalition's June conference, a two-day seminar to discuss mutual recreation concerns with government leaders.*



U.S. Congressional Travel & Tourism Caucus Chairman ***James Santini (D-Nev.) asserts recreation importance.***

Guy Fiske, deputy sec'y.-designate of U.S. Dep't. of Commerce, *says Commerce "should be arm of business, not its enemy."*

Rep. John Hiler (R-Ind.) *(center) with Gene Stout, Coachmen Industries, Inc. (l.), and David Humphreys, RVIA president and general counsel.*

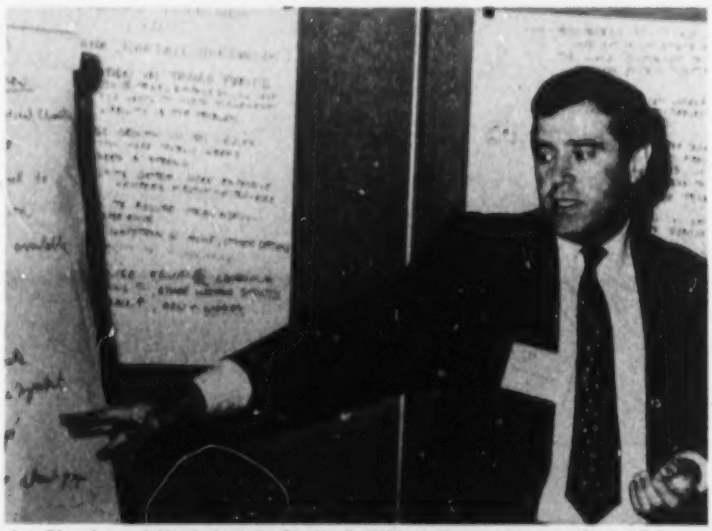
"We need each other."

Recreation Leaders, Government Officials Pledge Cooperation at 1st Annual ARC Forum

(story on page 2)

RVIA Finance Committee Chairman *Robert L. Berner (r.), Citicorp, sitting next to RVIA Director of Public Relations Gary LaBella.*

House Majority White Tom Foley *(D-Wash.) (r.) with John Dodgen, Dodgen Industries, Inc.*



Art Shapiro, *of Yankelovich, Skelly & White, discusses a unified ARC approach to achieve greater strength.*

Interior Sec'y. James Watt *(right) talks about need for coalition with (l. to r.) Dan Ryan, Kampgrounds of America; E. Randall Henderson, Jr., Outdoor Resorts of America, Inc., and Manuel Caravia, Komfort Industries, Inc.*

Camping Vacations To Increase in '82

Americans will be taking longer vacation trips, using their cars, light-duty trucks and recreation vehicles much more frequently than other types of vacation transportation and spending their nights at campgrounds in increasing numbers this summer, according to the monthly National Travel Survey conducted by the U.S. Travel Data Center (USTDC) in Washington, D.C.

The survey of 1,400 Americans has been conducted for the past three years in order to monitor the plans and trends of American travelers. Its most recent findings were discussed May 13 by travel industry officials at a 1982 Outlook for Summer Travel Seminar in Washington.

Speakers at the seminar, Dr. Douglas C. Frechtling and Suzanne D. Cook, both from USTDC, said that overall there would be a slight growth in vacation travel this summer and that Americans are planning to take longer trips.

The average round-trip vacation will total 1,000 miles this summer as opposed to 860 miles last year, according to the survey.

"People have more real income to spend on vacations than they have had in the last two years," Frechtling said, citing recent tax breaks and a decrease in the inflation rate as the primary reasons for the expected travel increase.

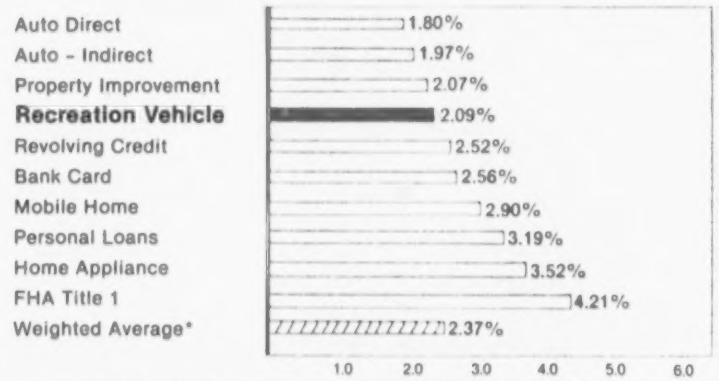
When asked what mode of transportation they would use for their vacations, a whopping 82% of those surveyed said they would travel by highway—either in a car, truck, or RV.

With regard to lodging accommodations, Frechtling said. "There seems to be a shift from motels and hotels to campgrounds." The survey shows that, although most people still said they would stay with friends or relatives or rent a room in a hotel or motel, a growing number said they planned to stay at campgrounds.

"A resurgence in camping appears likely," said Cook, "because there is a trend toward low-cost accommodations." Citing a 32% rise in 1981 RV sales—Cook said "we can expect parks and campgrounds to benefit this summer."

Longer vacations—*many utilizing RVs and campgrounds—are predicted for 1982, according to U.S. Travel Data Center survey. More real income cited as reason for expected 1,000-mile trips vs. 860 miles in 1981.*

Delinquency Rates; Bank Instalment Loans First Quarter, 1982 (in percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans. *Source: American Bankers Assoc., Bulletin 419, First Quarter, 1982.*

Loans On Time; Delinquencies Low

RV owners continue to do a good job repaying the banker for their RV loans. Just 2.09% of RV loans were delinquent in the first quarter of 1982, according to figures released by the American Bankers Association (ABA).

Even though they were nudged out of third place by property improvement loans with a rating of 2.07%, RV loans rated far above the weighted average of 2.37% for eight loan types regularly charted by ABA. Direct auto loans, with a 1.80% rating, kept their usual first place spot, slightly ahead of indirect auto loans with a 1.97% average. Others charted include revolving credit loans (2.52%), bank card loans (2.56%), mobile home loans (2.90%), personal loans (3.19%), home appliance loans (3.52%) and FHA Title 1 loans (4.21%).

On the average, total loan repayments improved in the first quarter of 1982 over the last quarter of 1981, with the weighted delinquency average dropping from 2.39% to 2.37%.

The ABA defines a delinquent loan as one that is 30 days past due.

Delegates at National Consumer Finance Association's *Chicago convention had chance to visit RVIA's exhibit and receive a packet of data re RV industry.*

Recreation Concerns

(from page 2)

"Their enthusiasm and eagerness about snowmobiling and recreation served to remind me," Foley said, "that while the budget and other emergency issues may dominate the waking hours of Congress, the future of recreation, and the programs that serve it, are still matters of concern to millions of Americans."

Earmarked User Fees

User fees earmarked for specific recreation programs were a subject of considerable discussion. Foley responded to a question on that topic by saying that he believed "recreationalists would accept the idea of user fees if they could see direct benefits" but that "it would be hard to get Congress to go along with the idea of earmarked funds."

Rep. Santini talked about the U.S. Congressional Travel & Tourism Caucus. With 280 congressmen as members, it is the largest caucus in the history of the House by more than 100 members.

"You now have an entity in the House that recognizes your significant contribution to the economy and to the nation as a whole," Santini told the industry officials.

Other government and industry leaders who addressed the assembly were: Red Cavaney, deputy assistant to President Reagan; Orin Lehman, commissioner of the New York State Office of Parks and Recreation; Darrell Trent,

(more on page 8)

Lenders See RVIA Exhibits

Hundreds of financial executives had the opportunity to learn more about the RV industry through their attendance at the June convention of the National Consumer Finance Association in Chicago. RVIA's Finance Committee was one of the exhibitors at the convention which attracted nearly a thousand delegates from across the nation.

Delegates who registered at the RVIA booth were given a packet of industry resource material and also had the opportunity to see an educational exhibit featuring RV publications, demographic data about the RV consumer, as well as a brilliantly lighted full color scenic display of different types of RVs in use.

During the conference, NCFA revealed that finance companies have continued to increase their share of the consumer credit business since 1977 until they now hold 27% market share of consumer installment credit.

According to statistics compiled by NCFA from figures released by the Federal Reserve Board, total consumer installment credit was $327 billion on March 31, 1982, up from $310 billion a year ago. The 12-month figures showed that 63% of the growth in total consumer installment credit was represented by finance companies. Commercial banks held the largest share, $146 billion or 44% of the market. During this same period, finance companies held $89.6 billion or 27.4% of the market, up from 25% a year ago, and up from 19.4% in 1977. At the same time, commercial banks showed a decline of about 1%, while savings and loans, gasoline companies, and mutual savings banks also showed minor share losses.

Survey in Work On RV Financing

Loan officers of banks, credit unions, and sales installment finance firms have been asked to participate in an RVIA survey to determine their 1981 experiences in recreation vehicle financing. Questionnaires were sent in mid-June to more than 3,000 financial institutions requesting data regarding the extent and profitability of the direct, indirect, or wholesale financing of both new and used family camping vehicles, as well as other types of recreation equipment.

A 1980 survey, conducted on the same factors, revealed that the 170 participating firms held a total of $1.3 billion in their RV loan portfolios. Since 1981 RV shipments were 32% ahead of 1980, it is anticipated that the 1981 survey results will show a decided increase in RV loan activity.

Results of the survey are being tabulated by Jon Whitney & Associates, marketing counsellors of Whiting, IN. When compilation is completed, results will be published and distributed to all participants as a service to the financial community.

The survey is an annual project of RVIA's Finance Committee whose membership comprises five members of the financial community as well as two RV manufacturer members. Robert L. Berner, vice president of Citicorp, New York City, is chairman.

Other members are: Joseph J. Bradley, Vice President, Bank of America, San Francisco; Joseph Gessiness, President, Bangor Punta Acceptance Corp., Goshen, IN; Ron Hanna, Manager, Winnebago Acceptance Corp., Forest City, IA; Joseph L. Lombardo, Vice President of Sales, American Acceptance Corp., Norristown, PA; Robert R. Rawlings, Vice President, CIT Financial Services, New York, NY; and Gordon E. Gilbert, Senior Vice President, Coachmen Industries, Inc., Middlebury, IN.

Need for User Fees Aired at Conference

User fees—the theory that those who enjoy public parks and recreation centers should assume a portion of their maintenance expenses—is a frequent topic of discussion whenever recreation groups meet.

Will the idea fly? Or won't it? Will the public, long accustomed only to token charges, or none, at public campgrounds, parks, and monuments, be willing to assume a share of the operating expenses rather than have their recreational facilities curtaileld, the seasonal use shortened, or shut down altogether?

As operating budgets are being tightened, the consensus is that the topic must be given serious consideration by government, business and users.

Legislators seem to agree that the idea of creating a trust fund for recreation is not without merit, but they caution that the battle would be difficult to win at the U.S. Congressional level.

Senator James McClure (R-ID) and Rep Jim Santini (D-NV), both agreed with Rep. Tom Foley (D-WA) on the subject when all three spoke at the recent American Recreation Coalition Forum held in Washington June 8-9 (see pages 2, 4 and 5).

"Our Appropriations Committee doesn't like the concept of earmarked funds, but the truth is Congress needs to look at the user fees in a constructive way—the budget has problems and we need solutions," Foley said.

"In Idaho, the people are willing to pay a reasonable fee for a specific project that would directly benefit them, but they generally believe that the right to enjoy our natural parks and the great outdoors is inherent—they should not have to pay ," Senator McClure said.

Rep. Santini indicated that earmarked trust funds established from user fee payments are not unprecedented, but they are rare. "It would be a tough fight to get Congress to go along," Santini said. "The key to getting a recreation trust fund established is to have all recreation segments come up with a unified position."

David J. Humphreys, RVIA's president and general counsel, echoed these same thoughts in an address prepared for a June convention of the Outdoor Writers Association of America at Spokane, WA.

"User fees can be a very positive factor for outdoor recreation in America," Humphreys said, "if when collected, they are placed into a recreation trust fund with the revenues being used exclusively for recreation programs. Under this arrangement, recreationists would no longer be dependent on the general appropriations for monies needed to keep parks and campgrounds open, and we could eventually have the best outdoor recreational facilities in the world."

Recreation Concerns (from page 7)

deputy secretary of transportation; Art Shapiro, executive vice president of Yankelovich, Skelly & White; David J. Humphreys, RVIA president and general counsel; Jeff Napier, president and general counsel of National Marine Manufacturers Association; Larry Paulick, senior vice president of National Spa and Pool Institute, and Henry Diamond, senior editor of the Outdoor Recreation Resources Review Commission from 1958-62.

Cavaney, Trent and Guy Fiske of the Commerce Department addressed the group in the family theatre of the White House. The remainder of the forum took place at the Hyatt Regency Capitol Hill.

Included among the 65 recreation industry leaders invited to the forum were several members of the Recreation Vehicle Industry Association, Recreation Vehicle Dealers Association and National Campground Owners Association.

New Study Sees RV Industry Growth

Most families in this country have very favorable attitudes toward camping and the recreation vehicle lifestyle, according to a new study by the Survey Research Center at the University of Michigan.

The study found that nearly two-thirds of the heads of all U.S. households believe that camping is the best vacation a family can take. Moreover, when asked to choose between a vacation at a resort city or a camping trip to a state or national park, more families opt for the camping trip, according to the report.

The study was conducted by Dr. Richard Curtin, director of consumer attitudes at Michigan's Survey Research Center and one of the nation's foremost researchers in the area of consumer behavior. Dr. Curtin and his staff conducted telephone interviews with 1,500 families, a scientifically-selected sample of the 80 million families in the U.S. today.

The survey revealed that company activity will likely increase in the years ahead. Recreation vehicles are perceived to be a good value in the eyes of a majority of the families interviewed. Asked to compared RVs with "other ways people spend their money," more than half of the respondents said they believe RVs give as much or more value for your money, while only one-third said less value.

More Value

Dr. Curtin said it is especially noteworthy that 25% of the respondents said RVs give more value.

"The percentage of respondents who say RVs give more value than other products is more than twice as high as the proportion of respondents who now own an RV," the author said. "This indicates that the RV market is far from saturated."

David J. Humphreys, RVIA president and general counsel, said the study confirms what the marketplace has shown over the past year: the future of RV camping is bright.

Copies of the new 42-page study, titled "Consumer Demand for RVs," are available for $11 from RVIA, P.O. Box 204, Dept. DEM, Chantilly, VA 22021.

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★★★★ Special Section ★★★★

Used RV Market

Buyer, Seller, Lender Agree on Used RVs

The market for used RVs is hot! And what's best of all is that everybody's pleased when a used RV has been sold—buyers, sellers, and lenders.

First-time buyers especially are looking for a used RV because it offers an introduction to the RV lifestyle with a somewhat smaller expenditure of money. Dealers are prepared to make attractive trades on a used unit in order to capture a "new" sale. Lenders are willing to finance the used RV because it provides opportunities for a new customer. Everybody "gets a good deal" and everybody is happy.

These facts are all borne out in a 1981 survey on the Consumer Demand for RVs made by the Consumer Research Center at the University of Michigan which shows that 65% of the 1,369 households questioned on the subject wanted to buy a used RV.

Used RVs enter the marketplace in a variety of methods. The repeat buyer who wants to sell his RV to buy another (either larger, or perhaps a different type, depending on his age and interests) has two options when it comes to finding a buyer; he can try to sell it on his own, or as a trade-in through an RV dealer.

The profit picture is just as rosy for the lender.

If he chooses the former method, he can place an ad in the local paper or in one of the several publications issued by one of the many local or national camping clubs. The likely buyer can be a neighbor down the street, or it might very well be an established RV dealer, who watches the ads for owner sales or even places ads of his own indicating that he's looking for salable merchandise.

Dealers are learning that the larger used RV units, especially, offer a healthy mark-up when $500 to $2,000 is spent on reconditioning a used unit. Rather than simply cleaning the interior and perhaps waxing the exterior, they are overhauling or replacing appliances, thoroughly cleaning the interior, painting the exterior, in addition to adding a complete set of new tires and overhauling or tuning and cleaning the motor. That full dress restoration, plus the addition of a limited warranty (or even selling a 12,000 mile maintenance insurance policy) assures that the time and money spent comes back two or threefold in a better price and an easier sale.

The profit picture is just as rosy for the lender. He finds that the financing of a used RV carries a low risk if he knows the dealer or (if no dealer is involved) if the buyer has had an independent mechanical inspection of the unit.

RVIA's recent survey of RV Financing, participated in by 171 lenders representing 4,300 financial institutions, bears out the popularity and profitability of financing used RVs, both through the retail (two party) method or indirectly through dealer paper.

Of the 141 firms that reported on

(over—Col. 3)

Used RVs are in demand, especially by first-time buyers who want a less expensive unit for their initial purchase. Present owners, too, feel used models are good buys.

Study Shows Older Units Sell

Two-thirds of all family households in the United States, 82 percent of all current RV owners and 78 percent of potential RV users favor buying a used RV, according to a 1981 study by the University of Michigan Survey Research Center.

The study polled 1,369 households, a scientifically-selected sample of the 80 million families in the U.S. today, and found that they feel buying a used RV can be a good financial move primarily because used RVs are inexpensive and have very low depreciation costs. Some even appreciate. They also said they feel used units are quality built, have fine safety features, and will prove to be an excellent value.

The study's findings bear out recent reports from RV dealers across the nation that the used RV market is flourishing. The figures also indicate an as yet untapped market for used RVs—the 78% of households that have never owned but feel used units are a good buy.

(over—Col. 1)

FINANCIAL FACTS Recreation Vehicle Industry Association / Summer 1982

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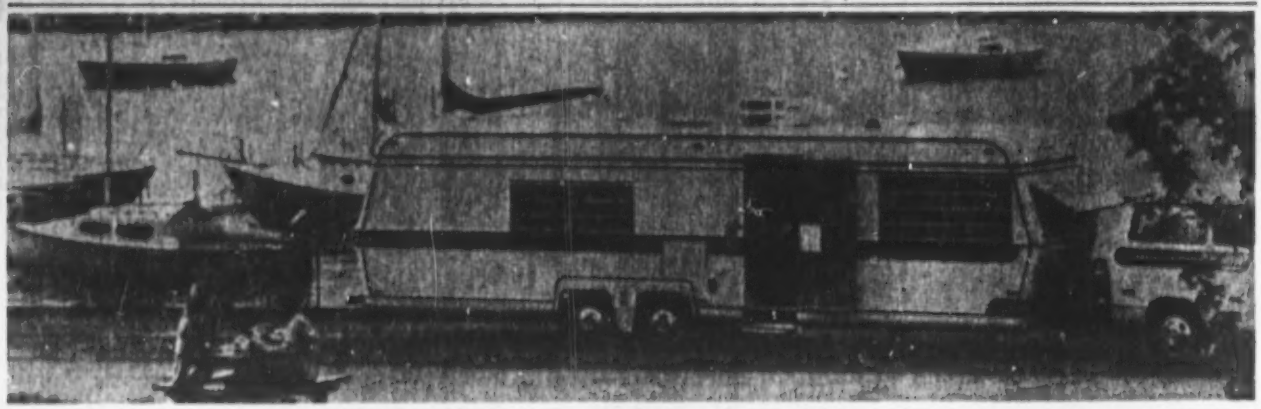

RV dealers are taking used RVs as trade-ins and finding those units selling well at a profit. Financing used RVs can be equally beneficial for lenders, according to RVIA's recent survey of RV financing, which shows more than three-quarters of all lenders have been making profitable loans on used RVs for more than 6 years.

Guidebooks One Method To Set Loan Values of Used RVs

As the used RV market skyrockets and the profitability of RV financing increases, financial institutions are using RV pricing guidebooks as a tool in determining loan values for RVs, especially used models.

While the manufacturer's invoice is the most common method for computing the value of loans for new RVs, guidebooks are the most popular tool for used models, according to RVIA's 1981 Survey of RV Financing. The survey revealed that a total of 82% of RV lenders—81% of banks, 70% of sales installment finance firms and 95% of credit unions—use guidebooks to set loan values for used RVs.

The books are designed to clearly describe models by year built, size and design and then, using factual data, to provide lenders an average price estimate for any unit they plan to finance.

However, because loan values are subject to many variables, guide books can only be one guideline in determining a loan value. Other methods—like physical inspection and a bill of sale—should also be used.

After using all methods available to decide upon an "average market price" for a unit, a loan value, based on that price, can be calculated and then adjusted as dictated by the financial condition of the loan petitioner, the length of the loan, any optional equipment that is included with the unit, its overall condition, rate of interest and other local market conditions.

Study Shows *(con't.)*

Citing this study and other reports, industry officials expect used RVs to be in even more demand in the future as potential RVers buy used units and as present RV owners, when they sell, opt to re-purchase used units. Financial institutions, then, that make loans for the purchase of used RVs, can also expect to realize a profit and expand their customer base. (Further details on the availability of the University of Michigan study are on page 8 of this issue.)

Agreement *(con't.)*

two-party financing, a healthy 73% of them had been financing used RVs for six or more years. The experience of lenders with indirect financing was equally favorable, with 77% of the firms citing a profitable history of 6 or more years.

The RV buyer has proved to be a good credit risk. In fact, the same RVIA Survey indicated that the average repossession rate experienced by lenders for new RVs was 1.70%—and the rate was even better for used RVs, only 1.17%. Even after executing an infrequent repossession, the typical lending institution reported a net recovery exceeding 80% of the loan value outstanding.

Guide Book Name Address & Phone Number	Frequency of Publication	Annual Subscription Rate	Per Copy Rate
Recreation Vehicle Blue Book: Official Market Report 300 W. Adams Street Chicago, IL 60606 800-621-9907	twice a year	$40.00	$20.00
N.A.D.A. Recreational Vehicle Appraisal Guide P.O. Box 1047 Covina, CA 91722 213-967-3981	three times a year	49.00	24.50
Kelley Blue Book: Official RV Guide for Motor Homes P.O. Box 1290 Costa Mesa, CA 92626 714-957-2600	three times a year	29.00	15.00
Kelley Blue Book: Official RV Guide for Travel Trailers P.O. Box 1290 Costa Mesa, CA 92626 714-957-2600	twice a year	29.00	20.00